

EXHIBIT 1

State Plan Under Title XIX of the Social Security Act Medical Assistance Program (the North Carolina State Medicaid Plan)

The pages of this Exhibit were downloaded on February 4, 2010 from
<http://www.dhhs.state.nc.us/dma/plan/sp.pdf>.

The entire North Carolina State Medicaid Plan, with attachments, is 959 pages. The following pages are included here:

- Pages 1-13 – Cover page, Table of Contents, List of Attachments.
- Pages 60-64 – Section 3.2 “Coordination of Medicaid with Medicare and Other Insurance.”
- Pages 786-87 – Attachment 4.19-B, Section 24 – “Methods and Standards for Establishing Payment Rates – Other Types of Care: Item VII - Payment of Title XVIII Part A and Part B Deductible/Coinsurance.”

STATE PLAN UNDER TITLE XIX
OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

HCFA-AT-80-38 (BPP)
MAY 22, 1980

Revision: HCFA-PM-87-4 (BERC)
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Medical Assistance Program

State/Territory: North Carolina

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• Supplement 3 -	Reasonable Limits on Amounts for Necessary Medical or Remedial Care Not Covered under Medicaid
• Supplement 4 -	Section 1902(f) Methodologies for Treatment of Income that Differ from those of the SSI Program

*Forms Provided

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Page 2

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***2.6-A Eligibility Conditions and Requirements (Territories only)**

- | | |
|------------------|--|
| • Supplement I - | Income Eligibility Levels - Categorically Needy, Medically Needy, and Qualified Medicare Beneficiaries |
| • Supplement 2 - | Reasonable limits on Amounts for Necessary Medical or Remedial Care Not Covered under Medicaid |
| • Supplement 3 - | Resource Levels for Optional Groups with Incomes Up to a Percentage of the Federal Poverty Level and Medically Needy |
| • Supplement 4 - | Consideration of Medicaid Qualifying Trusts--Undue Hardship |
| • Supplement 5 - | More Liberal Methods of Treating Income under Section 1902 (r)(2) of the Act |
| • Supplement 6 - | More Liberal Methods of Treating Resources under Section 1902 (r)(2) of the Act |

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<u>No.</u>	<u>Title of Attachment</u>
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*3.1-A Amount, Duration, and Scope of Medical and Remedial Care
and Services Provided to the Categorically Needy

*Supplement I	Care Management Services
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*4.18-E Premiums Imposed on Qualified Disabled and Working Individuals

4.19-A Methods and Standards for Establishing Payment Rates --
Inpatient Hospital Care

*Forms Provided

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<u>No.</u>	<u>Title of Attachment</u>
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*4.32-A	Income and Eligibility Verification System Procedures: Requests to Other State Agencies
*4.33-A	Method for Issuance of Medicaid Eligibility Cards to Homeless Individuals
7.2-A	Methods of Administration - Civil Rights (Title VI)

*Forms Provided

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MAY 1993

State: North Carolina

Citation 3.2 Coordination of Medicaid with Medicare and
Other Insurance

(a) Premiums

(1) Medicare Part A and Part B

1902(a)(10)(E)(i) and
1905(p)(1) of the Act

(i) Qualified Medicare
Beneficiary (QMB)

The Medicaid agency pays Medicare Part A premiums (if applicable) and Part B premiums for individuals in the QMB group defined in Item A.25 of ATTACHMENT 2.2-A, through the group premium payment arrangement, unless the agency has a Buy-in agreement for such payment, as indicated below.

Buy-In agreement for:

X Part A X Part B

— The Medicaid agency pays premiums, for which the beneficiary would be liable, for enrollment in an HMO participating in Medicare.

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TN No. 93-03

Approval Date 11-15-93

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Revision: HCFA-PM-97-3 (CSMO)
December 1997

State: North Carolina

Citation

- | | | |
|--|-------|--|
| 1902(a)(10)(E)(ii)
and 1905(s) of the Act | (ii) | <u>Qualified Disabled and Working Individual (QDWI)</u>

The Medicaid agency pays Medicare Part A premiums under a group premium payment arrangement, subject to any contribution required as described in ATTACHMENT 4.18-E, for Individuals in the QDWI group defined in item A.26 of ATTACHMENT 2.2-A of this plan. |
| 1902(a)(10)(E)(iii)
and 1905(p)(3)(A)(ii)
of the Act | (iii) | <u>Specified Low-income Medicare Beneficiary (SLMB)</u>

The Medicaid agency pays Medicare Part B premiums under the State buy-In process for individuals in the SLMB group defined in item A.27 of ATTACHMENT 2.2-A of this plan. |
| 1902(a)(10)(E)(iv)(I),
1905(p)(3)(A)(ii), and
1933 of the Act | (iv) | <u>Qualifying Individual-1 (QI-1)</u>

The Medicaid agency pays Medicare Part B premiums under the State buy- in process for individuals described in 1902 (a) (10) (E) (iv) (I) and subject to 1933 of the Act. |
| 1902(a)(10)(E)(iv)(II),
1905(p)(3)(A)(ii), and
1933 of the Act | (v) | <u>Qualifying Individual-2(QI-2)</u>

The Medicaid agency pays the portion of the amount of increase to the Medicare Part B premium attributable to the Home Health Provision to the individuals described in 1902 (a) (10) (E) (iv) (II) and subject to 1933 of the Act. |

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Enclosure 3 continued

29b

Revision: HCFA-PM-97-3
December 1997

State: North Carolina

Citation

1843(b) and 1905(a)
of the Act and
42 CFR 431.625

(vi) Other Medicaid Recipients

The Medicaid agency pays
Medicare Part B premiums to make
Medicare Part B coverage available
to the Following individuals:

X All individuals who are: (a)
receiving benefits under
titles I, IV-A, X, XIV, XVI
(AABD or SSI); b) receiving
State supplements under
title XVI; or c) within a
group listed at 42 CFR 431.
625 (d) (2).

____ Individuals receiving title
II or Railroad Retirement
benefits.

X Medically needy individuals
(FFP is not available for
this group).

1902(a) (30) and
1905(a) of the Act

(2) Other Health Insurance

____ The Medicaid agency pays insurance
premiums for medical or any other
type of remedial care to maintain a
third party resource for Medicaid
covered services provided to
eligible individuals (except
individuals 65 years of age or older
and disabled individuals, entitled
to Medicare Part A but not enrolled
in Medicare Part B).

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MARCH 1993

State: North Carolina

Citation (b) Deductibles/Coinsurance

(1) Medicare Part A and B

1902(a)(30), 1902(n),
1905(a), and 1916 of the Act

ATTACHMENT 4.19-B, Section 24, Page 1
describe the methods and standards for
establishing payment rates for services
covered under Medicare, and/or the
methodology for payment of Medicare
deductible and coinsurance amounts, to the
extent available for each of the following
groups.

Sections 1902
(a)(10)(E)(i) and
1905(p)(3) of the Act

(i) Qualified Medicare Beneficiaries
QMBs

The Medicaid agency pays Medicare Part A and
Part B deductible and coinsurance amounts for
QMBs (subject to any nominal Medicaid
(copayment) for all services available under
Medicare.

1902(a)(10), 1902(a)(30),
and 1905(a) of the Act

(ii) Other Medicaid Recipients

The Medicaid agency pays for Medicaid
services also covered under Medicare and
furnished to recipients entitled to Medicare
(subject to any nominal Medicaid copayment).
For services furnished to individuals who
are described in section 3.2(a)(1)(iv),
payment is made as follows:

42 CFR 431.625

X For the entire range of services
available under Medicare Part 3.

— Only for the amount, duration, and
scope of services otherwise
available under this plan.

1902(a)(10), 1902(a)(30),
1905(a), and 1905(p)
of the Act

(iii) Dual Eligible--QMS Plus

The Medicaid agency pays Medicare
Part A and Part B deductible and
coinsurance amounts for all services
available under Medicare and pays for all
Medicaid services furnished to individuals
eligible both as QMBs and categorically or
medically needy (subject to any nominal
Medicaid copayment).

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October 1991

OMB No.:

State/Territory: North Carolina

Citation

Condition or Requirement

1906 of the
Act

(c) Premiums, Deductibles, Coinsurance
and Other Cost Sharing Obligations

The Medicaid agency pays all premiums, deductibles, coinsurance and other cost sharing obligations for items and services covered under the State plan (subject to any nominal Medicaid copayment) for eligible individuals in employer-based cost-effective group health plans.

When coverage for eligible family members is not possible unless ineligible family members enroll, the Medicaid agency pays premiums for enrollment of other family members when cost-effective. In addition, the eligible individual is entitled to services covered by the State plan which are not included in the group health plan. Guidelines for determining cost effectiveness are described in section 4.22(h).

1902(a) (10) (F)
of the Act

(d) — The Medicaid agency pays premiums for individuals described in item 19 of Attachment 2.2-A.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

STATE NORTH CAROLINA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF
CARE

Item.. VII Payment of Title XVIII Part A and Part B
Deductible/Coinsurance

Except for a nominal recipient co-payment, if applicable, the Medicaid agency uses the following method:

	Medicare-Medicaid Individual	Medicare-Medicaid/QMB Individual	Medicare QMB Individual
Part A Deductible	X Limited to State Plan rates*	X Limited to State Plan rates*	X Limited to State Plan rates*
	Full amount	Full amount	Full amount
Part A Coinsurance	X Limited to State Plan rates*	X Limited to State Plan rates*	X Limited to State Plan rates*
	Full amount	Full amount	Full amount
Part B Deductible	X Limited to State Plan rates*	X Limited to State Plan rates*	X Limited to State Plan rates*
	Full amount	Full amount	Full amount
Part B Coinsurance	X Limited to State Plan rates*	X Limited to State Plan rates*	X Limited to State Plan rates*
	Full amount	Full amount	Full amount

*For these title XVIII services not otherwise covered by the title XIX State plan, the Medicaid agency has established reimbursement methodologies that are described in 4.19-B, Item(s)_____

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE
PROGRAM

STATE NORTH CAROLINA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF
CARE

Item.. VIII Payment of Title XVIII Part B Outpatient Psychiatric Reduction

Except for a nominal recipient co-payment, if applicable, the Medicaid agency uses the following method:

	Medicare-Medicaid Individual	Medicare-Medicaid/QMB Individual	Medicare QMB Individual
Part B Outpatient Psychiatric Reduction	<u>X</u> Limited to State Plan rates* Full amount	<u>X</u> Limited to State Plan rates* Full amount	<u>X</u> Limited to State Plan rates* Full amount

*For these title XVIII services not otherwise covered by the title XIX State plan, the Medicaid agency has established reimbursement methodologies that are described in 4.19-B, Item(s)____

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